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A G R E E M E N T

This Agreement is entered into this ____ day of _____, 1974, by and between POINT, a California non-profit corporation ("POINT" herein) and _____, a _____ corporation ("Distributor" herein).

RECITALS

1. POINT is about to publish the Whole Earth Epilog ("the Work" herein).

2. POINT desires Distributor to distribute and sell the Work and Distributor desires to perform such services.

NOW, THEREFORE, the parties hereto agree as follows:

I. Appointment of Distributor

Section 1.1

POINT appoints Distributor and Distributor hereby accepts appointment as the exclusive Distributor of the Work during the term of this Agreement.

Section 1.2

Neither party, its agents nor its employees shall under any circumstances be deemed to be agents or representatives of the other party for any purpose whatsoever, except as specifically set forth in this Agreement and neither party hereto shall have the right to enter into any contract or make any commitments in the name of or in behalf of the other

or to bind the other in any respect whatsoever, except as specifically set forth herein.

II. Duties of Distributor

Section 2.1

Distributor shall perform all services in connection with the distribution of the Work, including, but not limited to, selling, billing, warehousing, shipping, collecting and return handling. Distributor will use its best efforts to assure the maximum distribution and sales of the Work.

Section 2.2

Distributor shall supervise the production of the Work which services shall include, but not be limited to, supervising and arranging for all paper runs and bindings in accordance with specifications provided by POINT. POINT may, if it so desires, observe any or all of the steps in the Production of the Work in order to assure that its specifications for the Work are met and that quality control is maintained.

Section 2.3

Within thirty (30) days after the date of this Agreement Distributor shall arrange for a printer and sufficient paper for an initial production run commencing September 3, 1974, of 250,000 copies of the Work. Upon the completion of such arrangements Distributor shall immediately so notify POINT in writing.

Distributor, upon reasonable notice from POINT, shall also arrange for paper for the second and subsequent printings

of the Work of up to 100,000 copies of the Work per printing.

For purposes of this Section it is assumed that the Work will consist of 320 pages of a size similar to that contained in POINT's previous work, The Last Whole Earth Catalog but such assumption shall in no way bind POINT to that number of pages, or the size of the pages, for the actual production of the Work.

Paper secured by Distributor pursuant to this Section shall not be used by it for any other purpose during the term of this Agreement without the prior written consent of POINT.

Section 2.4

Distributor shall prepare, or cause to be prepared, appropriate advertising for the Work. The form, content and placement of all such advertising shall be subject to the approval of POINT which may, in its sole discretion, reject such advertising or its placement. Distributor shall spend not less than $_____ in advertising the Work. It is intended that the only advertising for the Work shall be a full page advertisement in Publisher's Weekly, and that the sum set forth in the preceding sentence is the cost of producing and placing such advertisement. All advertising costs incurred in excess of $_____ for the Work shall be at the sole expense of POINT.

Section 2.5

Distributor will list and describe the Work in the seasonal announcements of its books, using copy furnished by POINT, and will sell the Work upon such terms and conditions

as it may determine subject however to ~~as directed by~~ POINT's right to determine reasonableness in accordance with Section 1 be

as directed by POINT. The cost of listing the Work in its seasonal announcements shall be borne solely by Distributor and shall not be considered an advertising expense for purposes of Section 2.4 above.

Section 2.6

Distributor will distribute a reasonable number of review copies of the Work to a list of recipients recommended by Distributor and approved by POINT.

Section 2.7

Distributor shall use its best efforts, and is hereby authorized, to sell rights to the Work, on such terms as are customary in the trade, to book clubs. Distributor is hereby authorized to execute licenses with one or more such book clubs and to receive on POINT's behalf all sums due and to become due under such book club licensing agreements. The rights of any such book club (and the right of the Distributor to receive its share of the proceeds hereunder) shall survive the termination of this Agreement for the initial term of any such license with a book club.

Section 2.8

Distributor will advance, as such costs are incurred, ____% of the cost of paper, printing, and binding for _____ copies of the Work, but in no event more than $_____. If additional printings are made of the Work which Distributor is to distribute, Distributor will advance, as such costs are incurred, ____% of the cost of paper, printing and binding,

but in no event more than $_____ for each subsequent printing of the Work(not to exceed 100,000 copies per printing), to be distributed by Distributor.

Section 2.9

Distributor will render to POINT, within forty-five (45) days after the end of each calendar quarter, reports of all shipments, billings, returns, payments and credits with regard to the Work. Such reports shall set forth gross receipts, determined in accordance with generally accepted accounting principles, from which Distributor shall deduct:

a) its compensation in accordance with Section 3.1 below;

b) the unrecouped balance of any advances it has made with regard to the Work;

c) a reserve for returns. Such reserve shall be that percentage of the copies sold in the quarter for which the report is rendered which is equal to that percentage of the copies sold in the immediately previous quarter which were actually returned provided, however, if the actual returns in the immediately previous quarter were less than one per cent (1%) of the copies sold in such quarter, no reserve for returns shall be deducted in the quarter for which the report is rendered.

d) a reasonable reserve for liabilities asserted against Distributor by a third party with regard to the Work in an action filed in a court of general jurisdiction for

which action POINT would have to indemnify Distributor pursuant to Section 6.2 below.

Section 2.10

Three of each year's quarterly reports required by Section 2.9 above shall be based solely upon the books of the Distributor. The fourth calendar quarterly report shall be based on Distributor's physical inventory and shall make appropriate adjustments to reflect such physical inventory. Which calendar quarterly report shall be based on physical inventory shall be at the sole discretion of Distributor, but once having been established by Distributor shall not be modified except with the written consent of POINT.

Section 2.11

Distributor shall remit to POINT with the reports required pursuant to Section 2.9 above, the amount due POINT pursuant thereto. In the event remittance is not made within forty-five (45) days after the last day of the calendar quarter in question, interest shall accrue upon the amount due POINT at the rate of ten per cent (10%) per annum from the last day of such calendar quarter.

Section 2.12

The reports required under Section 2.9 above shall be subject to audit by POINT or its duly authorized representative. Distributor shall cooperate fully with such audit provided, however, that it shall be given at least ten (10) days

written notice of such audit and that there shall be no more than one audit in any calendar year. The cost of any such audit shall be paid by POINT unless such audit shows an error in the amount due from one party to the other in excess of Five Hundred Dollars ($500) in which event Distributor shall pay the reasonable expenses of such audit.

If Distributor disagrees with the results of an audit performed by POINT or its authorized representative, the parties hereto shall jointly appoint an arbitrator to make such investigation or audit as he may deem appropriate to resolve the matter. The findings of such arbitrator shall be binding and final on the parties. The cost of such arbitrator shall be borne equally by the parties. If the parties fail to jointly appoint an arbitrator, the arbitrator shall be chosen in accordance with the rules of the American Arbitration Association.

III. Compensation of Distributor

Section 3.1

As its entire compensation for its services rendered pursuant to this Agreement, Distributor shall receive:

a) _____% of the gross amount billed with regard to the Work during the term of this Agreement, less prepaid transportation and taxes, if any;

b) _____% of all amounts received with regard to the Work pursuant to agreements with book clubs negotiated by Distributor;

a) all of the gross amount billed with regard to the Work during the term of this Agreement in excess of the sum produced by multiplying $1.75 by the number of copies of the Work billed. In the event the suggested retail price

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if the work is other than $4.00 per copy then the figure "$1.75" in the preceding sentence shall be replaced by the figure produced by adding (or subtracting if the suggested retail price is less than $4.00 per copy) to $1.75 forty per cent (40%) of the difference between the suggested retail price per copy and $4.00.

c) _____% of all amounts received during the term of the Agreement with regard to foreign publication of the Work. For purposes of this Agreement "foreign publication" means publication in any foreign language regardless of where distributed and distribution of the English language edition in any country of the world except the United States, ~~and~~ Canada, the United Kingdom and Australia/New Zealand.

IV. Duties of POINT

Section 4.1

POINT shall prepare the Work in final form for printing by the printer under the supervision of Distributor pursuant to Section 2.2 above. POINT shall be responsible for all corrections of proofs and for furnishing corrected negatives of proofs to the printer. All costs of printing the Work shall be borne by POINT.

Section 4.2

All property and inventory taxes with regard to the Work shall be paid by POINT. The inventory of the Work will remain the property of POINT.

Section 4.3

POINT will solely determine the suggested retail prices ~~and terms of sale~~ for the Work except with regard to book club sales as provided for in Section 2.7 above. POINT shall advise Distributor of such the suggested retail prices ~~and terms of sale in sufficient time~~ not later than _____, to enable Distributor to include such in its seasonal announcement of its books in accordance with Section 2.5 above.

the suggested retail price shall not be less than $3.50 per copy.

Section 4.4

POINT shall pay to Distributor any amount shown to be due by it to Distributor pursuant to a quarterly report rendered under Section 2.9 above. Such payment shall be made by POINT within ten (10) days after POINT receives such report or forty-five (45) days after the last day of the calendar quarter for which such report is rendered, whichever is the later. In the event remittance is not made within the time prescribed in the preceding sentence interest shall accrue upon the amount due Distributor at the rate of ten per cent (10%) per annum from the date such remittance was due.

Payments required under this Section 4.4 shall not include sums advanced by Distributor pursuant to Section 2.8 above. Such sums shall be repaid to Distributor from the sales of the Work provided, however, any amount remaining due Distributor from POINT for such advances shall be paid within forty-five (45) days from the end of the third calendar quarter in which sales of the Work are less than 15 copies.

Section 4.5

Promptly upon termination of this Agreement POINT shall remove its inventories of the Work from Distributor's warehouses and will accept and administer on its own premises all subsequent returns in accordance with the terms on which such copies of the Work were sold. POINT shall promptly bill

Distributor for its share of payments made for such returns. Distributor will remit the payment due from it for such returns within thirty (30) days from the date of POINT's bill. Interest shall accrue on any sum unpaid after such thirty (30) days at the rate of ten per cent (10%) per annum from the expiration of such thirty (30) days.

V. Termination

Section 5.1

This Agreement shall be in force and effect as of the date hereof and it shall continue in effect so long as the Work is in print, provided, however, that either party may terminate this Agreement at any time upon ninety (90) days prior written notice to the other party. If the party giving notice of termination is indebted to the other party, all sums due hereunder will be paid on or prior to the date of termination.

Section 5.2

Either party hereunder shall have the right to cancel and terminate this Agreement by giving notice in writing to the other party at least five (5) days in advance of the effective date of termination upon the occurrence of any of the following events:

a) the default or breach of any terms or conditions of this Agreement by the other party, provided such breach or default was not cured within fifteen (15) days after written

notice of such default or breach had been given to the defaulting or breaching party by the other party;

b) Insolvency, bankruptcy, dissolution or liquidation of a party hereto, including institution of any proceeding by or against the other party under the provisions of any insolvency or bankruptcy law, or the appointment of a receivership over any of such party's property; or

c) discontinuance of its normal business by the other party.

Section 5.3

In the event Distributor terminates this Agreement for any of the reasons set forth in Section 5.2 (a) or (b) above, then Distributor shall have the right to retain all copies of the Work then in or coming into its possession as security for the payment of all sums due Distributor from POINT pursuant to the terms of this Agreement. Further, in the event of the termination of this Agreement by Distributor for any of the reasons set forth in Section 5.2 (a) or (b), Distributor shall have the right to sell such copies of the Work and retain the proceeds thereof necessary to satisfy any indebtedness of POINT owing to Distributor pursuant to this Agreement and to remit the excess to such persons as may be legally entitled thereto.

Section 5.4

In the event POINT terminates this Agreement for any of the reasons set forth in Section 5.2 (a) or (b), it shall

be immediately entitled to receive all funds with regard to the Work being held by distributor which are in excess of the amount owed by POINT to Distributor. Distributor hereby acknowledges that sums held by it with regard to the Work are being held by it as Trustee for the account of POINT and that it has no interest in the funds received with regard to the Work except to the extent that POINT may owe it money pursuant to this Agreement.

VI. Miscellaneous

Section 6.1

POINT will add to its copyright notice of the Work the following:

"Distributed by _____ and in Canada by _____."

Section 6.2

POINT warrants that it has full power to enter into this Agreement and to enable Distributor to do and perform all the acts necessary or desirable in rendering its services hereunder, that the Work does not violate the right of privacy of any person; that it is not libelous or obscene and that it does not infringe upon the statutory or common law copyright, trademark or any other right of any third party. If a claim is asserted against Distributor inconsistent with the foregoing, Distributor shall first tender the defense of such claim to POINT. In the event that POINT, within fifteen (15) days after its receipt of the written notification by Distributor of such claim, does not choose to defend such claim

by a counsel of its choice, then Distributor may defend such action by counsel of its choice at POINT's expense. POINT will indemnify and hold harmless Distributor from any liability arising from such claim, including all expenses, court costs, reasonable attorneys' fees (in accordance with the provision of the preceding sentence), amounts paid in settlement and all other liabilities suffered or incurred in connection therewith, provided that POINT has been notified in writing of such claim and has had the opportunity, as set forth in the preceding sentence, to defend such claim through the counsel of its choice and, provided further, that no settlement of any such claim shall be made without its prior written approval.

Section 6.3

All notices required or permitted to be given under this Agreement by one of the parties to the other shall be given by delivery in person, airmail postage prepaid or by telegram addressed to the principal office of the party as set forth below:

POINT
P. O. Box 99554
San Francisco, CA 94109

Distributor

Section 6.4

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 6.5

This written Agreement shall constitute the entire Agreement between the parties hereto and shall supersede any

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